MagForce AG: Successful final closing of a growth financing round for MagForce USA, Inc. under the lead of Mithril Capital Management

Berlin, Germany, August 8th, 2014 - MagForce AG (Frankfurt, Entry Standard, XETRA: MF6, ISIN: DE000A0HGQF5), a leading medical device company in the field of nanomedicine focused on oncology, today announced that its subsidiary MagForce USA, Inc. has successfully closed its growth financing round. Mithril Capital Management, a growth-stage technology fund founded by Ajay Royan and Peter Thiel, led a group of strategic investors including the management in financing MagForce USA’s growth round with proceeds of USD 15 million, with an option to increase the size of the round to USD 30 million. MagForce AG owns 77% of MagForce USA as of this closing. The strategic investors presently hold 23% of MagForce USA and may increase their ownership in future by exercising the warrants held by them. After all warrants are exercised, MagForce AG will continue to retain a majority ownership position in MagForce USA.

MagForce USA, Inc., has been granted a license by MagForce AG for the development and commercialization of NanoTherm™ Therapy for the treatment of brain and prostate cancers and will be responsible for developing the North American market (US, Mexico and Canada) for MagForce’s technology and products. Under the prostate cancer license, MagForce USA will also receive royalties for the sale of NanoTherm™ particles for the treatment of prostate cancer outside North America.

Ben J. Lipps, Chairman and CEO of MagForce AG and also of MagForce USA, Inc., commented: “I am very optimistic about the US market, which has the largest potential especially for prostate cancer treatment. MagForce USA aims at developing its technology to offer a new focal treatment for Intermediate Stage Prostate Cancer with precise ablation of the cancer lesion while sparing normal tissue. In Mithril, we have found the right collaborator to support our expansion plans. Ajay Royan and Peter Thiel have proven themselves numerous times to be valuable partners in helping companies unlock long-term growth.”

Ajay Royan, co-founder and managing general partner of Mithril, said: “Conventional treatments for prostate cancer have significant side effects and other limitations, while patients with glioblastoma currently have few good options at all. That’s why MagForce’s innovative approach to solid tumors is
very promising and potentially important."

About MagForce AG and MagForce USA, Inc.
MagForce AG, listed in the entry standard of the Frankfurt Stock Exchange (MF6, ISIN: DE000A0HGQF5), together with its subsidiary MagForce USA, Inc. is a leading medical device company in the field of nanomedicine focused on oncology. The Group's proprietary NanoTherm™ therapy enables the targeted treatment of solid tumors through the intratumoral generation of heat via activation of superparamagnetic nanoparticles. NanoTherm™, NanoPlan®, and NanoActivator® are components of the therapy and have received EU-wide regulatory approval as medical devices for the treatment of brain tumors. MagForce, NanoTherm, NanoPlan, and NanoActivator are trademarks of MagForce AG in selected countries. For more information, please visit: www.magforce.com.
Please learn more: [video (You Tube)]

About Mithril Capital Management
Mithril is a global investment firm that provides capital to leading growth companies by partnering with teams who use technology to build transformative and durable businesses, often in industries long overdue for change. Each of these businesses is unique, but all face common challenges to unlocking long-term growth. Mithril helps navigate these critical inflection points by investing in size and with conviction. For more information, please visit: www.mithril.com

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This release may contain forward-looking statements and information which may be identified by formulations using terms such as "expects", "aims", "anticipates", "intends", "plans", "believes", "seeks", "estimates" or "will". Such forward-looking statements are based on our current expectations and certain assumptions, which may be subject to a variety of risks and uncertainties. The results actually achieved by MagForce AG may substantially differ from these forward-looking statements. MagForce AG assumes no obligation to update these forward-looking statements or to correct them in case of developments, which differ from those, anticipated.